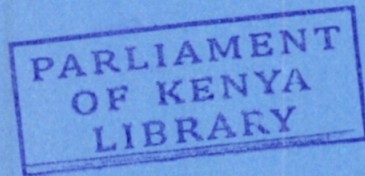


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

|                                      |                |
|--------------------------------------|----------------|
| THE NATIONAL ASSEMBLY<br>PAPERS LAID |                |
| DATE: 23 JUL 2025                    | DAY: WEDNESDAY |
| TABLED BY: HON. (DR) HALIMA SULEIMAT |                |
| CLERK-AT THE-TABLE: HALIMA SULEIMAT  |                |

**THE AUDITOR-GENERAL**

**ON**

**KAREN TECHNICAL TRAINING INSTITUTE  
FOR THE DEAF**

**FOR THE YEAR ENDED  
30 JUNE, 2024**



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**KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2024**

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Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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## **1. Acronyms and Definition of Key Terms**

### **A. Acronyms**

|       |   |
|-------|---|
| BES   | Boarding Equipment & Stores   |
| BOG   | Board of Governors  |
| CAPA  | Commonwealth Association of Technical Universities and Polytechnics in Africa |
| EWC   | Electricity, Water and Conservancy  |
| ICPAK | Institute of Certified Public Accountants of Kenya                            |
| IPSAS | International Public Sector Accounting Standards                              |
| KATTI | Kenya Association of Technical Training Institutions                          |
| MOE   | Ministry of Education   |
| MOH   | Ministry of Health  |
| NHIF  | National Health Insurance Fund  |
| NSSF  | National Social Security Fund   |
| PFM   | Public Finance Management   |
| PSASB | Public Sector Accounting Standards Board                                      |
| PTA   | Parents Teachers Association  |
| SES   | School Equipment & Stationaries   |
| TTI   | Technical Training Institute  |
| TTC   | Teacher Training College  |
| TVC   | Technical Vocational College  |
| TVET  | Technical and Vocational Education and Training                               |

### **B. Definition of Key Terms**

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Comparative Year** - Means the prior period.

## **2. Key Institute Information and Management**

### **(a) Background information**

Karen Technical Training Institute for the Deaf was founded in the Year 1990 with the mandate to offer Technical and Vocational Education and Training to Students with Special Needs in Kenya (the Deaf). Since 2015 the Institution operates under the State Department of Vocational and Technical Training. From inception the Institute had been under the State Department of Basic Education; Ministry of Education.

At Cabinet level Karen Technical Training Institute for the Deaf is represented by the Cabinet Secretary for Ministry of Education who is responsible for the general policy and strategic direction of the Institute. The Institute is domiciled in Kenya and is located along Karen road.

Karen Technical Training Institute for the Deaf has an Appointed Board of Governors whose main role includes; Determining the Organization's Vision, Mission, Purpose and Core Values. Setting and overseeing the overall Strategy and approve significant Policies of the Organization Ensuring that the Strategy is aligned with the purpose of the Organization and legitimate interests and expectations of her Stakeholders Monitoring the Organization's Performance and ensuring sustainability

### **(b) Principal Activities**

The principal activity of the Institute is the provision of technical, vocational education and training to deaf students with special needs in Kenya.

#### **Vision Statement**

A Centre of Excellence in Integrated Technical and Vocational Education for the Hearing Challenged and the Hearing

#### **Mission Statement**

To provide adequate and appropriate Technical and Vocational Training for Artisans, Craftsmen, Technicians and Technologists through practical training and work experience and transfer of technology with other TVET Institutions and key players in the Industry.

#### **Strategic Objectives**

1. Provide Quality Competence Based Education and Training
2. Enhance Financial Sustainability by Increasing Revenues and Managing Costs.
3. Enhance ICT in Training and Operations of Institute.
4. Promote Human Resources Capacity and Improve Corporate Image.
5. Promote Collaboration with other TVET Institutions and Key Players in the Industry.

**(b) Key Management**

The Institute's day-to-day management is under the following key organs:

- Board of Governors (BOG)
- Accounting officer/Principal and Secretary BOG
- Management

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were: Confirm the names and titles correctly.

| SN. | Designation                     | Name                      |
|-----|---------------------------------|---------------------------|
| 1.  | Principal                       | <b>Tecla M. Chemobo</b>   |
| 2.  | Deputy Principal Administration | <b>Norah Joy Ananda</b>   |
| 3.  | Deputy Principal Academics      | <b>Japheth N. Onyimbo</b> |
| 4.  | Finance Officer                 | <b>Wilfred Kimathi</b>    |
| 5.  | Registrar                       | <b>Joseph Wanjohi</b>     |
| 6.  | Dean of Students                | <b>Lorraine Koros</b>     |

**(d) Fiduciary Oversight Arrangements**

The Institute's key fiduciary oversight arrangements include:

- Audit Committee
- Planning, Strategy, Finance and Resource Mobilization Committee
- Academic and Students Affairs Committee

**(e) Institute Headquarters**

Karen Technical Training Institute for the Deaf  
P.O. Box 24785-0050  
Karen Road  
Nairobi, Kenya

**(f) Institute Contacts**

Telephone: (254) 0722-261453 (Principal's no.)  
E-mail: [kttid2007@yahoo.com](mailto:kttid2007@yahoo.com)  
Website: [www.kttideaf.ac.ke](http://www.kttideaf.ac.ke)

**Key Institute Information and Management (Continued)**

**(g) Institute Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000 - 00200  
Nairobi, Kenya

National Bank of Kenya  
Harambee Avenue  
P.O. Box 41862 - 00100  
Nairobi, Kenya

ABSA Bank of Kenya  
P.O. Box 24180 - 00502  
Nairobi, Kenya


**(h) Independent Auditors**

Auditor-General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084 - 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112 - 00200  
Nairobi, Kenya

**3.The Board of Governors**


| <i>SN.</i> | <i>Member/ Director</i>   | <i>Details</i>  |
|------------|---|---|
| 1.         |  <p style="text-align: center;"><b>CPA Dr Joseph Obwogi<br/>PhD, CHRP</b></p> <p style="text-align: center;"><b>BOG<br/>Chairperson</b></p> <p style="text-align: center;">DOB: 12<sup>TH</sup> NOVEMBER 1975</p> | <p>CPA Dr Joseph Obwogi is the Chairman Board of Governors, Kenya Technical Training Institute for the Deaf. He is an acknowledged Researcher and Administrator with wide Academic and Administrative Experience. His area of Expertise is Finance, Human Capital Management, Public Policy, Governance and Strategic Management. Dr Obwogi has worked in the university for over twenty-four years, a journey that started in the year 1998 when he joined Jomo Kenyatta University of Agriculture and Technology (JKUAT) as an Accountant rising the hierarchy to Assistant Registrar, Deputy Registrar and University Registrar.</p> <p>Prior to his current appointment, Dr Obwogi served as board member of the JKUAT Staff Retirement Pension Scheme, serving in numerous committees, in addition to providing full time secretariat to the JKUAT Council.</p> <p>Dr Obwogi has a PhD in Human Resource Management, an MBA, and a Bachelor of Science. He is a Certified Public Accountant of Kenya (CPA-K) and a Certified Human Resource Professional of Kenya (CHRP-K). He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) as well as the Institute of Human Resource Professionals (IHRM).</p> <p>He was appointed as Chair of the Board of Governors of the Karen Technical Institute for the Deaf (KTTID) on 05<sup>th</sup> June 2024 for a period of three (3) years.</p> |


2.





**Tecla M. Chemobo**  
**Principal & Secretary BOG**  
DOB: 8<sup>TH</sup> OCTOBER, 1965


She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 34 years of experience as a Teacher that elevated her to the current position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor's Degree in Education (Upper 2<sup>nd</sup> Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno - Siriba Diploma Teachers Training College. In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 35 years' experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {\*CAPA} and {KATTI}.


|           |   |   |
|-----------|---|---|
| <p>3.</p> |  <p style="text-align: center;"> <b>Maryan Abdi</b><br/> <b>County Director TVET</b><br/> <b>Nairobi County</b><br/>                 DOB: 12<sup>TH</sup> DECEMBER, 1977             </p> | <p>A fully qualified, experienced and dynamic professional with 18 years teaching experience, 11 years' managerial responsibilities, 1 ½ years humanitarian and relief work experience. A Dynamic leader, resourceful, adaptable and able to work in all conditions. Strong conflict resolution skills and effective negotiator. A result-oriented, creative and reliable team player who strives for excellence in all tasks assigned. She holds a Masters of Education (Educational Planning &amp; Administration) from Catholic University of East Africa, a Diploma in Education Management from Kenya Education Management Institute, Bachelor of Education – Science from Kenyatta University, Diploma in Education (Science) from Kagumo Teachers College did her O' Level Education at Moi Forces Academy - Lanet. Other Professional Qualifications – August, 2003 Mathematics mentoring group held at Kagumo Teachers College. 17<sup>th</sup>-28<sup>th</sup> April 2006 Capacity building training program for NEPAD e-schools and ICT in Education-CEMASTE. 19<sup>th</sup> -24<sup>th</sup> July, 2009 Free Secondary Education and governance workshop for Principals of Public Secondary Schools at KESI. August 2018 Senior Management Course (SMC) Kenya School of Government. Key Skills; she has skills in Computer Applications, Planning/Organization, Communication, Administration and Interpersonal skills. Her work experience; from Feb 2008-Sept 2013 worked as a Principal, Kutulo Girls Secondary School. Sept 2013- Dec 2017 Principal Wajir Girls Secondary School. Jan 2018-Sept 2018 Nep Girls High School, Garissa. Oct 2018-Dec 2018 Senior Asst. Director of Education TVET. Jan 2019 to Date SADE- TVET County Director, Nairobi.</p> |
|-----------|---|---|

|           |  |   |
|-----------|--|---|
| <p>4.</p> |  <p><b>Eng. Leonard Ithau</b><br/><b>BOG Member</b><br/>DOB: 23<sup>RD</sup> APRIL, 1961</p> | <p>Eng. Leonard Ithau holds a Bachelor of Science Degree in Civil Engineering from the University of Nairobi and a Master's of Science Degree in Construction Management from the University of Birmingham, England. He has served in the public service at the Kenya Ports Authority (KPA) and as a Project Management Consultant to various private bodies in the Health, Port and Harbours/Rail/Roads, Telecommunications, Oil and Gas, Hospitality, Industrial/Commercial and Housing Sectors. He is currently the Executive Director of Quemec Limited, a private consultancy practice.</p> <p>He has over thirty-five (35) years' experience in senior project advisory, design and construction management roles on major civil engineering, infrastructure and building works in Kenya and the broader South East Africa region.</p> <p>He is a registered Engineer with the Engineers Board of Kenya, a member of the Association for Project Management (UK) and the Institute of Directors (Kenya).</p> <p>Eng. Leonard Ithau is a member of the Board of Directors of Kenya Revenue Authority (KRA). He was first appointed on 30<sup>th</sup> May 2018 and subsequently re-appointed for a further term of three (3) years on 21<sup>st</sup> October 2019. He was appointed as a member of the Board of Governors of the Karen Technical Institute for the Deaf (KTTID) on 19<sup>th</sup> July 2021 for a period of three (3) years.</p> |
| <p>5.</p> |  | <p>A self-motivated individual, analytical, careful in planning and administration, Information Technology savvy and always willing to face challenges and progress using his skills and experience to enhance the organization's corporate idInstitute by significantly contributing to its growth.</p> <p>He has a Bachelor's Degree in Banking &amp; Finance and Honors Diploma in Network Centered Computing with fourteen (14) years' experience in the fields of Human Resource</p>   |

|    |   |  |
|----|---|--|
|    |  <p><b>Peter Arrile Matura</b><br/><b>BOG Member</b><br/>DOB: 23<sup>RD</sup> AUGUST, 1974</p> | <p>(Administration, Performance Management and Training) and Information Technology (HRIS Support officer). A graduate of Commerce (Banking &amp; Finance, Cost Accounting), Dr. B.A Marathwada and currently pursuing a Master in Business Administration (Project Management), Kenyatta University.</p> <p>He also has vast knowledge in the IT and holds an MCSE Certificate (Microsoft Certified System Engineer).</p> <p>Currently working as, a Consultant with the Northern Rangeland Trust (NRTT) in training their various conservancy management boards and appointed as a Member of the Board of Governors of Karen Technical Training Institute for the Deaf in 19<sup>th</sup> July 2021.</p>   |
| 6. |  <p><b>Medrine Mueni Ndile</b><br/><b>BOG Member</b><br/>DOB: 25<sup>TH</sup> MAY, 1989</p>  | <p>Medrine Mueni Ndile is an Advocate of the High Court of Kenya. She has 11 years' experience practicing Commercial, Conveyancing and Litigation Law. She holds a Master's Degree in Public Policy and Management from Strathmore Business School, a Bachelor of Laws (LLB) Degree from University of Nairobi (UON) and a Post-Graduate Diploma in Law from the Kenya School of Law. She was admitted as an Advocate of the High Court of Kenya on 13th March 2015. She has extraordinary written and verbal communication skills. Known for an uncompromised work ethic, a compassionate and empowering personality. Skilled at developing strong relationships through collaboration and partnership to get things done. Her experience in providing overarching general legal assistance has enabled her to make a significant contribution to Rhombus Construction Institute Limited, Miller &amp; Institute advocates, Musyoka Wambua &amp; Katiku advocates, Rachuonyo and Rachuonyo Institute Advocates and Kitheka &amp; Co. Advocates. Her background includes</p> |



**Karen Technical Training Institute for The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2024**

|    |  |  |
|----|--|--|
|    |  | <p>providing board advisory and services, Institute advisory, preparing pleadings, motions, discoveries, and briefs, interpretation of laws as well as interacting with courts to facilitate streamlined legal operations. Her career tenure has encompassed a variety of areas of law, including Institute and corporate. She was appointed as a member of the Board of Governors at Karen Technical Training Institute for the Deaf in 19<sup>th</sup> July 2021.</p>  |
| 7. |  <p><b>George H. Gachanja<br/>Mahugu</b><br/><b>BOG Member</b><br/>DOB: 6<sup>TH</sup> OCTOBER, 1974</p> | <p>He holds a Bachelor of Science Degree in Microfinance from the Kenya Methodist University, a Diploma from the Kenya Institute of Management and a Certificate from the Catholic University of Eastern Africa in Management of Child Centered Organizations, Child Rights and Paralegal Studies. He has over 19 years working experience with NGOs primarily within the PWD {Persons With Disabilities} sector especially with the deaf. He currently holds the position of Program Coordinator at the Kenya Society for Deaf Children {KSDC}. He has previously worked as a Program Consultant with the Kenya Association of Parents of the Deaf and coordinating programs of network and funding organizations including Stitching Operation Eardrop and Vitaal based in Netherlands as well as in education and rehabilitation of hearing loss in children with the Department for International Development [DFID] and in mobilization and training of parents in Kenyan Sign Language for the U.S. Peace Corps. He has also been a trainer for the National Police Service of Kenya in Sign Language. He sits on the Board of Governors at Karen Technical Training Institute for the Deaf as a representative of KSDC. He has also previously been a Board Member of Mobil Oil. He was appointed as a member of the Board of Governors at Karen Technical Training Institute for the Deaf in 20<sup>th</sup> January 2023.</p> |



|    |  |  |
|----|--|--|
| 8. |  <p><b>Protus Atsali Lumiti</b><br/><b>BOG Member</b><br/>DOB: 24<sup>TH</sup> NOVEMBER, 1967</p> | <p>Dedicated and experienced in Leadership, Strategic Management and Organizational Development with over 15 years of experience. Protus is a Licensed Human Resource Management Professional (IHRM), with experience in General Management as well as Strategic Planning and Community Development.</p> <p>He currently serves as Deputy Executive Director, Children of God Relief Institute – Nyumbani; where he assists in planning, administration, project compliance and organizational management.</p> <p>He has a Master of Business Administration from Kenyatta University.</p> <p>He was conferred by HE President Uhuru Kenyatta for distinguished services rendered to the people of Kenya under the auspices of COGRI ins (2013).</p> <p>He was appointed as a member of the Board of Governors at Karen Technical Training Institute for the Deaf in 20<sup>th</sup> January 2023.</p> |
|----|--|--|

**4. Key Management Team**

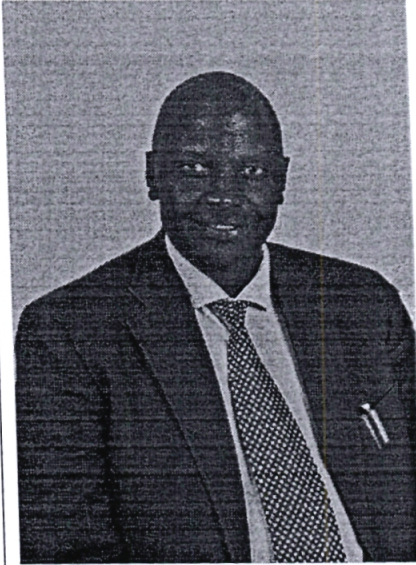
| <i>SN</i> | <i>Member</i>   | <i>Details</i>  |
|-----------|---|---|
| 1.        |  <p data-bbox="411 1234 794 1305"><b>TECLA M. CHEMOBO</b><br/>Principal &amp; Secretary BOG</p> | <p data-bbox="842 427 1551 1641">She is a scintillating, successful, spiritual and highly skilled professionally Trained Educationist with 34 years of experience as a Teacher that elevated her to the current position. She currently holds as the Principal of Karen Technical Training Institute for the Deaf in Nairobi, Kenya. She holds a Bachelor's Degree in Education (Upper 2<sup>nd</sup> Class Honors) from Kenyatta University, a Higher Diploma in Counselling Psychology from Kenya Institute of Professional Counselling [KIPC] as well as a Diploma in Education from Maseno-Siriba Diploma Teachers Training College. In the course of her working life, she has held various positions rising from a Class Teacher at Chepareria Girls High School in West Pokot, Kapsabet Girls High School, Kaaga Girls High School in Meru, Nairobi School and then to her promotion as a Lecturer, Head of Department, Dean of Students, Registrar and later Deputy Principal In-charge of Academic Affairs at Nairobi Technical Training Institute up to 2015 when she was appointed by the Teachers Service Commission to her current position as Principal TVET. She also serves as the Secretary to the Board of Governors at Karen Technical Training Institute for the Deaf. She has over 28 years' experience in inspiring and shaping policy within the TVET Sector having attended and participated in various Policy and Governance Workshops and Training for TVET Principals and Managers especially with the Government of Kenya and Ministry of Education as well as other Stakeholders such as Commonwealth Association of Technical Universities and Polytechnics in Africa {CAPA} and {KATTI}.</p> |

|           |   |  |
|-----------|---|--|
| <p>2.</p> |  <p><b>JAPHETH N. ONYIMBO</b><br/><b>Deputy Principal - Academics</b></p>      | <p>He started teaching in 1995 at Karen Technical Training Institute for the Deaf. In 2000 he was transferred to Sunshine Secondary School to teach Drawing and Design and Mathematics and was the Head of Examinations for two years.</p> <p>In 2004 he was transferred back to Karen Technical Training Institute for the Deaf and in 2005 he was appointed to chair the Institution's Tuition Time-table Committee and thereafter in 2008 appointed Deputy Registrar.</p> <p>In 2009 he was appointed Registrar and his Office is in-charge of Admission and Registration of Students in the Institution and Administration of both Internal and External National Examinations among other responsibilities. He has attended various Kenya Association of Technical Training Institute (KATTI) Trainings and Technical Vocational Education Training Workshops organized by the Ministry of Education State Department of Vocational and Technical Training.</p>   |
| <p>3.</p> |  <p><b>NORAH JOY ANANDA</b><br/><b>Deputy Principal - Administration</b></p> | <p>She started teaching in 1988 in Mukumu Girls Boarding Primary School till 1993 when she took study leave to further her studies. She studied Diploma in Special Education at Kenya Institute of Special Education and was awarded Diploma Special Education 1<sup>st</sup> Class Honours in 1995 with another special Award of Best Citizen.</p> <p>She was posted to Agakhan Primary School Deaf Unit in May 1995. She taught in this school till 1997 where she took another study leave to further her education and enrolled in Kenyatta University in 1997 September for Bachelor of Education (Special Education) and successfully completed in the Year 2000 and was awarded B.E.D Special Education with 2<sup>nd</sup> Class Honours – Upper Division.</p> <p>She was posted to Karen Technical Training Institute for the Deaf in 2001. In 2001 was appointed as a Sign Language facilitator. In 2005 was appointed as Head of Department of Audiology Department and Assistant Dean of Students.</p> |

**Karen Technical Training Institute for The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2024**

|    |   |  |
|----|---|--|
|    |   | <p>She was also appointed in 2006 as Head of Performing Arts. In 2015 she was promoted as Dean of Students till to Date.</p> <p>She is also in-charge of two targets in the Performance Contract namely Service Delivery and Resolution of Public Complaints respectively.</p>   |
| 4. |  <p><b>JOSEPH WANJOHI</b><br/>Registrar</p>         | <p>He started teaching in 1992 at Mururia High School in Kiambu. In 1995 he was transferred to SOS Technical Training Institute to teach Mathematics and promoted to be the Institution Head Teacher. In the year 2006 he was transferred to Karen Technical Training Institute for the Deaf to Teach Mathematics and Carpentry and Joinery. In 2009 he was appointed as the Head of Department Carpentry and Joinery. In 2021 he was appointed Registrar and his office is in – charge of Admission and Administration of both Internal and External National Examinations.</p>   |
| 5. |  <p><b>LORRAINE KOROS</b><br/>Dean of Students</p> | <p>She started teaching in 1998 in Machakos Technical Training Institute for The Blind after attaining a Diploma in Technical Education. In 2006, she was transferred to Karen Technical Training Institute for the Deaf to teach Entrepreneurship Education and Business Studies. In 2008 she was appointed to the Discipline Committee for five years. While working she managed to attain a Degree in Business Management from Moi University in 2009 and a Master in Business Administration from Jomo Kenyatta University of Agriculture in 2012. In 2021 she was appointed Dean of Students to Date. She is also in charge of one Target in the Performance Contract namely Business Process Re-Engineering.</p> |

6.



**WILFRED KIMATHI**  
**Finance Officer**

He is a Resilience Character holds a Bachelor of Business Administration (Accounting and Finance option) from Kenya Methodist University (Kenya), a Diploma in Business Management, University of Nairobi (DBM). Certified Public Accountant (CPA II) KSNEB studied at Meru Technical Training Institute know Meru National Polytechnic, a Certificate of Accounts Clerk National Certificate (ACNC) (I & II) (KASNEB). Secondary Education, Gikumene Secondary School Meru, Primary Education, Michogomone Primary School Meru. He is currently the Finance Officer Karen Technical Training Institute for the Deaf. He has attended various capacity building workshop organized Nairobi County School /Tertiary Institution Audit (Nyayo House Educations) attended Training Workshops Organized by TVET the State Department of Vocational and Technical Training Institutions, attended Trainings by National Treasury on Public Sector Accounting Standards Board (PSASB) Training accordance with the Basis of accounting method under the International Public Sector Accounting Standards (IPSAS). Sits in various Board Committee Treasurer Macho SACCO Ltd. He is a member Procurement Committee, Treasurer Ngong Methodist Church and Secretary Meban Self Help Group. He has 26 years working experience on the Finance field to date.

## **5. Chairman's Statement**

### **Introduction**

It is my utmost pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2024.

### **Financial Performance**

In the year under review, the Institution reported a total income of **Kshs. 162,007,741 compared to Kshs. 137,120,099** for the FY 2023/2024 financial year. The increase in income during the financial year was mainly due to the Institution receiving Capitation Grants from the National Government.

### **The Board of Governors**

The Board is committed to ensure prosperity of the Institution by collectively directing its affairs whilst meeting the diverse interests of its stakeholders. The Board charter guides the operation of the Board while defining the functions and responsibilities of the Board of Governors and that of Management. The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the Institution. The Board of Governors was inducted in December 2023.

### **Achievements and Challenges**

Over the last 5 years to date there has been gradual increase in enrolment of students from **861 in 2018 to 1561 in June 2024**. The Institute has also had notable improvement in general service delivery and in corporate social image. During the **FY 2023/2024** funding from the National Government increased to **Kshs. 100,017,500 from Kshs. 89,221,325 in 2022/2023**. The increased budgetary allocation helped in financing the programs and activities of the Institution.

### **Appreciation**

On behalf of the Board of Governors, I wish to thank all the Stakeholders for the confidence placed on the Board during the entire period and look forward to serving even better. In a special way, I thank the Ministry of Education, State Department of Vocational and Technical Training that have stood with us during the entire financial year. Your continued support is highly appreciated. Further, I thank Members of Management, Staff and Students for their dedication and commitment towards the growth of the Institution.

PETER MATURA

for: CPA Dr Joseph Obwogi PhD, CHRP

Board Chairperson

Member of the Board and Chairman Board  
Committee on Planning, Finance & Resource  
Mobilization

10/6/2025

## **6. Report of the Principal**

### **Introduction and Background**

It is my great pleasure to present the Annual Report and Financial Statements for Karen Technical Training Institute for the Deaf for the year ended 30 June 2023. Karen Technical Training Institute for the Deaf is a Public Tertiary Institution under the State Department of Vocational and Technical Training that started in 1990 to offer Technical Training to the Deaf Youth in Kenya. The Institute trains students mainly at the level of Artisan, Craft and in Diploma courses based on the minimal number of Deaf Youth who successfully complete the Kenya Certificate of Primary Education (KCPE) and the very few who even proceed to the Kenya Certificate of Secondary Education (KCSE) Level. Effective January 2015, the Institute moved from the Department of Basic Education to the State Department of Vocational and Technical Training, Directorate of TVET and assumed new status with a higher profile.

### **Academics**

The Institution has continued to provide quality Technical Vocational and Educational Training under the newly approved Competence Based Education and Training (CBET) Curriculum.

### **Overview of the Financial Performance**

In the year under review, the Institution reported a total income of **Kshs. 162,007,741** compared to **Kshs. 137,120,099** for the FY 2022/2023 financial year. This was as result of increased budgetary allocations in Capitation grants to **Kshs. 44,017,500** from **Kshs. 7,275,000** in FY 2022/2023 and increased Revenue from Tuition and Other Student fees which grew by 39% in FY 2023/2024 **Kshs. 60,754,317** compared to the FY 2022/2023 **Kshs. 43,785,414**.

### **Compliance with Statutory Guidelines**

In the year under review, Karen Technical Training Institute for the Deaf diligently fulfilled its entire statutory obligation and guidelines set by government agencies and commissions. The Institution signed Performance Contracting with the Ministry of Education and the same was cascaded to relevant officers and Staff of the Institution with continuous monitoring and evaluation.

### **Challenges**

Over the last 5 years, there has been increased enrolment of students from **861** in **2018** to **1561** in **2024**. However, the increase in the number of students does not commensurate with Government funding. This poses a great challenge to finance the growth of the Institution hence the need for increased budgetary allocation to the Institution.

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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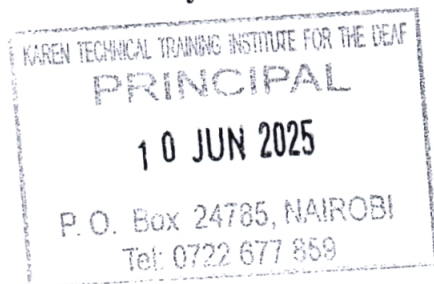
**Appreciation**

I note with appreciation that the Government of Kenya through the Ministry of Education, our collaborators, and other institutions that have rendered their support during the entire financial year under review. Further, I would like to appreciate the support accorded to me by Staff and Students in ensuring smooth running of the Karen Technical Training Institute for the Deaf. The Institution acknowledges the guidance of the Board of Governors in ensuring the Management is kept on the move towards attainment of the set targets.



**Tecla M. Chemobo**

**Principal & Secretary BOG**



**7. Statement of Performance against Predetermined Objectives**

Karen Technical Training Institute for the Deaf has Five (5) Pillars and objectives within the current Strategic plan for the year 2019 to 2024. These strategic objectives are as follows:

- (i) Political
- (ii) Economic
- (iii) Social
- (iv) Technological
- (v) Environmental

Karen Technical Training Institute for the Deaf develops its Annual Work plans based on Five (5) pillars. Assessment of the Board's performance against its Annual Work plan is done on quarterly basis. The Karen Technical Training Institute for the Deaf achieved its Performance Targets set for the F/Y 2023/2024 period for its five (5) pillars as indicated in the diagram below:

| Strategic Pillar | Objective  | Key Performance Indicators  | Activities   | Achievements  |
|------------------|--|---|--|---|
| Political        | <ul style="list-style-type: none"> <li>• Provide market driven and relevant training</li> </ul>                | <ul style="list-style-type: none"> <li>• Relevant training material available</li> <li>• Number of workshops with modern equipment</li> </ul>           | <ul style="list-style-type: none"> <li>• Provide modern equipment in the workshops</li> <li>• Provide timely and relevant teaching materials</li> </ul>  | <ul style="list-style-type: none"> <li>• Clothing Technology and Electrical Departments new Laboratories and Equipment</li> </ul> |
| Economic         | <ul style="list-style-type: none"> <li>• Enhance financial stability</li> </ul>                                | <ul style="list-style-type: none"> <li>• Timely annual budgets and audits</li> <li>• Number of trainees accessing HELB and Government grants</li> </ul> | <ul style="list-style-type: none"> <li>• Ensure timely preparation of annual budgets and audits</li> <li>• Seek sponsorship for Trainees from sponsors such as HELB and Government Subsidies/grants</li> </ul> | <ul style="list-style-type: none"> <li>• Budget prepared and submitted within the prescribed period</li> </ul>                    |
| Technological    | <ul style="list-style-type: none"> <li>• Improve access to and use of ICT in education and training</li> </ul> | <ul style="list-style-type: none"> <li>• Installed WIFI in the Institute</li> <li>• Introduce interactive screens</li> </ul>                            | <ul style="list-style-type: none"> <li>• Install WIFI in the Institute</li> <li>• Number of interactive screens</li> </ul>   | <ul style="list-style-type: none"> <li>• Availability of internet, smartboard and overhead projectors in the Institute</li> </ul> |
| Social           | <ul style="list-style-type: none"> <li>• Improve corporate image</li> </ul>                                    | <ul style="list-style-type: none"> <li>• Semester magazine developed</li> <li>• Active presence in different forums</li> </ul>                          | <ul style="list-style-type: none"> <li>• Establish semester magazine</li> <li>• Use forums such as social media and KATTI to market the institute</li> </ul>   | <ul style="list-style-type: none"> <li>• Regular updating of courses offered through the institute website</li> </ul>             |
| Environmental    | <ul style="list-style-type: none"> <li>• Improve physical facilities for People with Disabilities</li> </ul>   | <ul style="list-style-type: none"> <li>• Ramps at various doors for ease access</li> </ul>  | <ul style="list-style-type: none"> <li>• Construct ramps at various doors for ease access of the physically challenged Persons</li> </ul>  | <ul style="list-style-type: none"> <li>• Ramps constructed at the doors of various rooms in the Institute</li> </ul>              |

## **8. Corporate Governance Statement**

The Board of Governors is responsible for providing overall leadership through oversight, review and guidance in addition to the setting the strategic and policy direction of the institution.

During the year under review, the Board of Governors comprised of 8 Members, all appointed by the Cabinet Secretary in the Ministry of Education and the Principal who is secretary to the Board of Governors. The Board is responsible for ensuring that Institution complies with the law and best practices in corporate governance.

### **Functions of the Board of Governors**

The functions and powers of the Board Governors are as stipulated as indicated below:

- Determining the Institution's vision, mission, purpose and core values.
- Setting and overseeing the overall strategy.
- Approve significant policies of the institution.
- Ensuring that the Institution's strategy is aligned with its purpose, legitimate interests and expectations of the stakeholders.
- Monitoring the Institution's performance and ensuring sustainability.

### **Board Meetings Attendance and Members' Participation**

The Board holds regular meetings to transact planned business of the Institution. Special meetings may also be called when there is significant business to discuss. During the year under review, the Board held mandatory meetings attended by all members. Board members receive adequate notices and detailed issues for discussion in order to for them to prepare for the meetings in advance.

### **Board Remuneration**

Members of the Board are paid taxable sitting allowances for meetings attended as well as travel allowances while carrying out duties on behalf of the Institution as per the guidelines provided by Salaries and Remuneration Commission and approval by the Cabinet Secretary for Education.

### **Board committees**

During the 2023/2024 financial year, the following were the committees in place:

- Audit Committee comprised of 3 members of the Board and 2 members of key management.
- Planning, Strategy, Finance and Resource Mobilization Committee comprised of 5 members of the Board and 2 members of key management.
- Academic and Students Affairs Committee comprised of 5 members of the Board and 2 members of key management.

**Conflict of Interest**

The Institution has a conflict of interest policy which applies to all members of the Board, key management and other employees as per the requirements of section 29 of schedule 2 of the Technical and Vocational Education, 2013. They are obligated to disclose and remove themselves from discussion or decision-making authority in matters which they may have material personal interest that could result in impairing their objectivity or interfere with the execution of their duties.

## **9. Management Discussion and Analysis**

### **1. Financial and Operational Performance**

#### **Income**

The main source of income for the Institution is grants from the Government of Kenya through the Exchequer. Internally, the Institution generates revenue in the form of tuition fees and other income from rental of facilities and equipment. During the financial year **2023/2024** the Institution's approved budget was **Kshs. 217,730,000 (2022/2023: Kshs. 168,528,000)**.

The below is the breakdown of the income for the year:

**Recurrent Grant** – The Institution was initially allocated in the approved budget for the financial year **2023/2024 Kshs. 55,645,000 (2022/2023: Kshs. 39,612,764)** against actual receipt of **Kshs. 56,000,000 (2022/2023: Kshs. 68,445,000)**.

**Capitation Grant** - The Institution received **Kshs. 44,017,500 (2022/2023: 7,275,000)** as Capitation Grants from the Ministry of Education, State Department of Technical & Vocational Training.

**Development Grant** – In the approved Budget, the Institution allocated **Kshs. 13,000,000 (2022/2023: Kshs. 13,000,000)**. There was no development grant utilised during the year.

**Tuition Fees** – Budgeted amount of **Kshs. 92,487,000 (2022/2023: Kshs. 72,741,000)** against actual fees collected of **Kshs. 60,754,317 (2022/2023: Kshs. 43,785,414)** during the year.

**Other Income** – This comprises Rental of facilities and Equipment and other miscellaneous income budgeted at **Kshs. 1,598,000 (2022/2023: Kshs. 1,598,000)** against actual income of **Kshs. 1,235,924 (2022/2023: Kshs. 4,113,360)**.

#### **Expenditure**

Actual total expenditure for the year was **Kshs. 157,714,339 (2022/2023: Kshs. 119,585,369)**. Major expenditure related to Boarding Equipment and Stores (BES) - **Kshs. 46,724,135 (2022/2023: Kshs. 34,960,088)** and School Equipment Store (SES) **Kshs. 24,802,917 (2022/2023: Kshs 13,498,708)**. Other major expenditure related to Salaries and Wages during the year **Kshs. 11,271,115 (2022/2023: Kshs. 10,488,444)** and Depreciation expense **Kshs. 17,538,431 (2022/2023: Kshs. 19,610,478)**.

## **2. Key projects or investment decision implemented or ongoing**

During the financial year under review the Institution did not have any major ongoing projects.

## **3. Compliance with Statutory Requirements**

Karen Technical Training Institute for the Deaf as a public Institute has a duty to ensure that all the relevant laws and regulations are adhered to and complied with. In addition, the Institution does acknowledge its obligation to have all statutory dues such PAYE, NHIF, NSSF, withholding tax and NITA levies processed and remitted before the set timelines. There are no non-compliance issues that may expose the institution to potential contingent liabilities neither are there ongoing or potential court cases and defaults that could expose the institution to adverse liability.

## **4. Major Risks facing the Organisation**

The institution's activities expose it to a variety of strategic, operational, liquidity and financial risks:

- i. **Strategy Risk** – The risk associated with an institution's inability to formulate and/or execute a successful strategy. The risk has been mitigated by having a Board in place whose members are professional and well versed with the requirements of running a special needs tertiary institution. The education programmes at Karen Technical Training Institute for the Deaf are carefully selected and formulated to ensure its mandate is achieved in a sustainable manner.
- ii. **Operational Risk** - The risk of failure or loss resulting from inadequate or failed processes, people, or systems failure. This risk has been managed through defining and embedding internal controls in all the processes. These internal controls include but not limited to obtaining authorizations for all transactions and ensuring compliance with laws and regulations.
- iii. **Liquidity Risk** – The risk that an Institute will be unable to meet its obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated expenditures through a consultative budgeting process with the parent ministry.

## **5. Material arrears in Statutory and other Financial Obligations**

No Institute did not have any material arrears in Statutory and other financial obligations.

## **6. Financial Probity and serious Governance issues**

There has been no financial improbity reported by the external auditors or other oversight bodies. The institution has a duly constituted Board of Governors that is supported by Board Committees.

## **10. Environmental and Sustainability Reporting Statement**

Karen Technical Training Institute for the Deaf exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the Citizen first, improving physical facilities for People with Disabilities and improving operational excellence.

Below is a highlight of strategies and activities that promote the organisation's strategic objectives.

### **Sustainability strategy and profile**

The Board and Management of Karen Technical Training Institute for the Deaf is committed to ensuring prosperity of the Institution by collectively directing its affairs whilst meeting the diverse interests of its stakeholders.

The Board strives to maintain the highest standards of corporate governance and ethics in providing the policy and strategy of the Institution.

The Institution develops its Annual Work Plan based on the 5 strategic pillars and derives its objectives, activities and performance indicators from the same. Assessment of the Board and Key Management is based on the Annual Work Plan.

### **Environmental performance**

Karen Technical Training Institute for the Deaf is committed in ensuring that waste disposal is done appropriately by use of incinerator to burn all wastes in order to maintain high level of cleanliness.

### **Employee welfare**

To enhance performance, Institute recruit's employees under performance contracting in order to meet the ever-increasing demands of our students. The Institute considers staff training as a critical component towards improving work performance.

The Institute is an equal opportunity employer the hiring process is guided by factors such as gender ratio and they consider Persons With Disabilities as priority.

The Institution has a conflict of interest policy which applies to all members of the Board, key management and other employees as per the requirements of section 29 of schedule 2 of the Technical and Vocational Education, 2013.

The Institute ensures compliance with Occupational Safety and Health Act of 2007, (OSHA).

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**Corporate Social Responsibility / Community Engagements**

During the year under review, Karen Technical Training Institute for the Deaf did not carry out any Corporate Social Responsibility activities.

## **11. Report of the Board of Governors**

The Board members submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Institution's affairs.

### **Principal activities**

The principal activities of the Institute are the provision of technical, vocational education and training to deaf students with special needs in Kenya.

### **Results**

The results of the Institute for the year ended June 30 are set out on page 1 to 6.

### **Board of Governors**

The members of the Board who served during the year are shown on page vi to xii.

### **Auditors**

The Auditor General is responsible for the statutory audit of the Karen Technical Training Institute for The Deaf in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2024, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

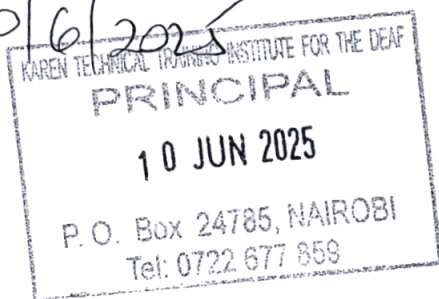
By Order of the Board

.....*T. Chemo*.....

**Secretary of the Board**

**Nairobi**

**Date:** 10/6/2025



**12. Statement of Board of Governors Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013 require the board members to prepare financial statements in respect of the Karen Technical Training Institute for the Deaf, which give a true and fair view of the state of affairs of the Institute at the end of the financial year and the operating results of the Institute for that year. The Board members are also required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The council members are also responsible for safeguarding the assets of the Institute.


The Board members are responsible for the preparation and presentation of Karen Technical Training Institute for the Deaf financial statements, which give a true and fair view of the state of affairs of the *Institute* for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Institute*, (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board members accept responsibility for the *Institute's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the TVET Act. The council members are of the opinion that the *Institute's* financial statements give a true and fair view of the state of *Institute's* transactions during the financial year ended June 30, 2024, and of the *Institute's* financial position as at that date. The Council members further confirm the completeness of the accounting records maintained for the *Institute*, which have been relied upon in the preparation of the *Institute's* financial statements as well as the adequacy of the systems of internal financial control.

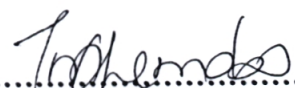
Nothing has come to the attention of the Board members to indicate that the *Institute* will not remain a going concern for at least the next twelve months from the date of this statement.

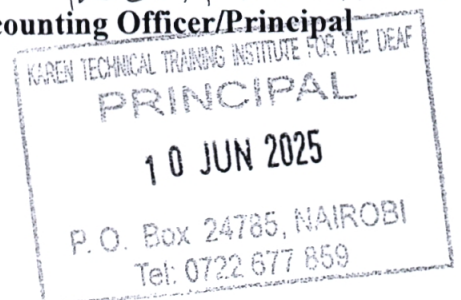
**Approval of the financial statements**

The *Institute's* financial statements were approved by the Board on 10/6/ 2025 and signed on its behalf by:

  
.....  
Name **PETER MATURA**

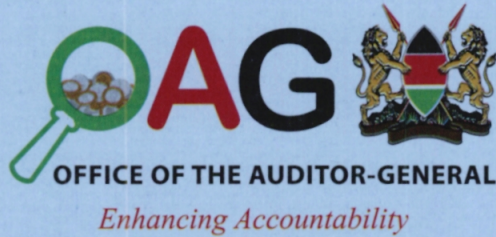
for: **Chairperson of the Board**  
Members BOG and Chairman Board  
Committee on Planning, Finance &  
Resource Mobilization.  
10/6/2025

  
.....  
Name **TECLA M. CHEMOROR**  
Accounting Officer/Principal



# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Karen Technical Training Institute for the Deaf set out on pages 1 to 29, which comprise the statement of financial

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*Report of the Auditor-General on Karen Technical Training Institute for the Deaf for the year ended 30 June, 2024*

position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Karen Technical Training Institute for the Deaf as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education Training Act, 2013 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Property, Plant and Equipment**

The statement of financial position and as disclosed in Note 17 to the financial statements reflects property, plant and equipment net book value of Kshs.3,480,608,700. The balance includes registered land with an estimated value of Kshs.3,200,000,000 in which the Institute sits. However, the basis of the valuation was not provided. Further, verification of the land allotment indicated that the land is registered under three (3) trustees and is not in the name of the Institute. In addition, the property, plant and equipment includes motor vehicles, plant and equipment and computers which are fully depreciated although they are still in use. The fully depreciated assets with an unknown economic value have not been revalued to reflect their fair values in the financial statements.

Further, and as reported earlier, the Institute's land does not have permanent exterior perimeter wall and is fenced with barbed wire and chain link which can easily be moved by encroachers or land grabbers. It was noted that part of the forty (40) acres of land had been encroached by constructions and buildings adjacent to a seasonal river bordering the Institute and the buildings and construction activities near the open field adjacent to the AfDB and GOK Building blocks erected on the Institute land. Although the Principal has on several occasions written to the Principal Secretary, Education – State Department of Vocational and Technical Training, requesting for funding to erect a perimeter wall and seeking assistance to drive out the encroachers, nothing has been done to remedy the situation.

In the circumstances, the accuracy, completeness, existence, of property plant and equipment valued at Kshs.3,480,608,700 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Karen Technical Training Institute for the

Deaf Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis totalling Kshs.217,730,000 and Kshs.162,007,741 respectively, resulting to an under funding of Kshs.55,722,259 or 26% of the budget. However, the Institute incurred an actual expenditure of Kshs.140,318,408 against actual revenue of Kshs.162,007,741 resulting to an under expenditure of Kshs.21,689,333 or 12% of the actual income.

The under-funding and under-utilization of funds affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxviii which comprise of Key Entity Information and Management, The Chairman's statement, Key Management Team, Chairman's Report, Report of the Principal, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board Members, Statement of the Board Members Responsibilities, and Statement of Performance Against Predetermined Objectives). The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Karen technical Training Institute for the Deaf financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed and the matters described in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Non-Compliance with One Third Basic Salary Rule**

Analysis of the staff payroll for the financial years ended 30 June, 2024 established that, some employees were receiving net salaries that were less than one-third of their basic salaries contrary to Section 19(3) of the Employment Act, 2007 and Human Resource Policies and Procedures Manual for the Public Service, 2016 Part C.1 (3) which stipulates that public officer shall not over-commit their salaries.

In the circumstances, Management was in breach of law.

#### **2. Lack of Data Protection Officer (DPO) and Certification on Data Processing and Control**

Review of the Institute's data management processes revealed that the Institution had not appointed a Data Protection Officer (DPO) contrary to Section 24(1) of the Data Protection Act, 2019 which requires that a data controller or data processor shall designate or appoint a Data Protection Officer (DPO) where the processing of data is carried out by a public body or private entity. Further, the Institution had not obtained certification on data processing and control, raising concerns over compliance with legal and regulatory requirements for handling personal and sensitive data.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## Basis for Conclusion

### 1. Weaknesses in the Internal Control Systems

Audit review of the Institute documents revealed the following anomalies:

- i. The Institute did not have a consolidated asset register prepared in a format prescribed by IPSAS 17 whose minimum requirements are; identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value and tagging of assets with identification codes.
- ii. The assets were not tagged for ease of identification and movement.
- iii. The Institute processed Kshs.11,271,115 of wages through manual payroll systems for an average of 21 staff per month and not through the prescribed electronic payroll system.
- iv. Note 15 to the financial statements reflects a balance of Kshs.51,804,008 held in three (3) bank accounts. However, the bank balances were not supported by a board of the survey at the closure of the year.
- v. The Institute had inadequate segregation of duties in Human Resource, Payroll Functions and Finance that is key to internal control principles.
- vi. The Institute did not constitute an audit committee and an internal audit unit as required by Regulation 166(1) and (2) of the Public Finance Management (National Government) Regulation.
- vii. The Institution did not have an automated revenue management system for collecting and recording revenue.

In the circumstances, the efficiency and effectiveness on the internal controls systems in the Institute may not be guaranteed.

### 2. Lack of ICT Steering Committee and IT Strategic Committee

Review of the Institute's Information Communication Technology systems and records revealed that the school had Information Communication Technology (ICT) department but lacked an ICT strategic committee to assist in the development of ICT Policy framework to achieve long-term ICT strategic goals. Lack of an ICT strategic committee may result in an unclear direction regarding maintenance of information security across

the organization and safeguarding the School's ICT assets. In addition, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality, integrity and availability.

In the circumstances, the Institute may be exposed to financial losses or falsification of records in the absence of ICT steering committee.

### **3. Lack of Board and Committee Charter**

The statement of financial performance and Note 11 of the financial statements reflect Board expenses totaling Kshs.1,246,353. Review of the Board records indicated that the Board does not have a Board charter since inception. Further, the Board has audit committees established to run the affairs of the Board, however, none of the committees has a charter that outlines its roles and responsibilities.

In the circumstances, the effectiveness of the institutes' governance could not be confirmed.

### **4. Poor Inventories Management**

Reported in the statement of financial position and supported by Note 16 to the financial statements is an amount of Kshs.2,863,919 in respect to inventories. However, the stores department did not have bin cards of the items procured by the entity. Further, review of the Institution closing stock sheet revealed only one (1) officer conducted the annual stock take hence the accuracy could not be confirmed and verified. Further, the entity did not invite the Office of the Auditor-General during the annual stock take.

Physical audit inspection conducted in the Institution stores revealed that the store was congested, not properly ventilated and supplies were not well-arranged making it difficult to access all the items in the store.

In the circumstances, effectiveness of the internal controls on inventories management could not be confirmed.

### **5. Weak Internal Controls Systems in the Management of Motor Vehicle and Local Transport Expenditure**

During the year under audit, the Institute incurred an expenditure amounting to Kshs.3,355,910 as local transport on a motor vehicle which comprised of Kshs.2,939,000 for fuel expenses and Kshs.416,910 for repairs. However, it was noted that some of the payments were paid through cash procurements exceeding Kshs.50,000 contrary to procurement regulations. Further, review of fuel usage records revealed that the Institute did not maintain work tickets for tracking and monitoring motor vehicle movement as well as controlling fuel consumption and repair and maintenance costs. Further, requisition forms did not indicate the mileage covered or the quantity of fuel purchased, making it difficult to track fuel consumption and ensure

accountability. Additionally, the fuel receipts issued lacked Electronic Tax Register (ETR) details, contrary to tax regulations, raising concerns on the authenticity of the transactions.

In the circumstances, the regularity and value for money on the fuel expenditure could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and Institute Board of Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Institution Board is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**12 June, 2025**

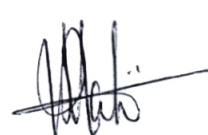
**Karen Technical Training Institute for The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2024**

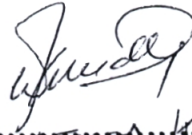
**14. Statement of Financial Performance for The Year Ended 30 June 2024**

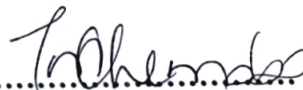
|   | Notes | 2024               | 2023               |
|---|-------|--------------------|--------------------|
|   |       | Kshs               | Kshs               |
| <b>Revenue from Non-Exchange transactions</b>     |       |                    |                    |
| Transfers from other National Government entities | 6     | 100,017,500        | 89,221,325         |
|   |       | <b>100,017,500</b> | <b>89,221,325</b>  |
| <b>Revenue from Exchange transactions</b>         |       |                    |                    |
| Rendering of services- fees from students         | 7     | 60,754,317         | 43,785,414         |
| Other income                                      | 8     | 1,235,924          | 4,113,360          |
| <b>Revenue from Exchange transactions</b>         |       | <b>61,990,241</b>  | <b>47,898,774</b>  |
| <b>Total Revenue</b>                              |       | <b>162,007,741</b> | <b>137,120,099</b> |
| <b>Expenses</b>                                   |       |                    |                    |
| Use of goods and services                         | 9     | 124,524,976        | 87,143,824         |
| Employee costs                                    | 10    | 11,271,115         | 10,488,444         |
| Board Expenses                                    | 11    | 1,246,353          | 1,843,832          |
| Depreciation and amortization expense             | 12    | 17,538,431         | 19,610,478         |
| Repairs and maintenance                           | 13    | 3,133,464          | 498,791            |
| <b>Total Expenses</b>                             |       | <b>157,714,339</b> | <b>119,585,369</b> |
| <b>Other Gains/(losses)</b>                       |       |                    |                    |
| Gain/(loss) on fair value of investments          | 14    | 415,800            | (239,800)          |
| <b>Total Other Gains/(losses)</b>                 |       | <b>415,800</b>     | <b>(239,800)</b>   |
| <b>Net surplus for the year</b>                   |       | <b>4,709,202</b>   | <b>17,294,930</b>  |

(The notes set out on pages 7 to 31 form an integral part of the Annual Financial Statements).

The Financial Statements set out on pages 1 to 6 were signed by:

  
 .....  
**PETER MATURA**  
 Chairman of Council/Board  
 Member Bdr and Chairman  
 Committee on Planning Finance  
 & Resource Mobilization  
 Date 10/6/2025

  
 .....  
**Finance Officer**  
 ICPAK No  
 Date 10/6/2025

  
 .....  
**Principal**  
**TECLA M. CHEMOKI**  
 Date 10/6/2025



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**15. Statement of Financial Position as at 30th June 2024**

| Description   | Notes | 2024                 | 2023                 |
|---|-------|----------------------|----------------------|
|   |       | Kshs                 | Kshs                 |
| <b>Assets</b>                                       |       |                      |                      |
| <b>Current Assets</b>                               |       |                      |                      |
| Cash and cash equivalents                           | 15    | 51,804,008           | 30,466,076           |
| Inventories   | 16    | 2,863,919            | 2,512,518            |
| <b>Total Current Assets</b>                         |       | <b>54,667,927</b>    | <b>32,978,594</b>    |
| <b>Non-Current Assets</b>                           |       |                      |                      |
| Property, plant, and equipment                      | 17    | 3,480,608,700        | 3,498,004,631        |
| Biological Assets                                   | 18    | 1,495,000            | 1,079,200            |
| <b>Total Non-Current Assets</b>                     |       | <b>3,482,103,700</b> | <b>3,499,083,831</b> |
| <b>Total Assets</b>                                 |       | <b>3,536,771,627</b> | <b>3,532,062,425</b> |
|   |       |                      |                      |
| <b>Liabilities</b>                                  |       |                      |                      |
| <b>Current Liabilities</b>                          |       |                      |                      |
| Trade and other payables from exchange transactions | 19    | 400,000              | 400,000              |
| <b>Total Current Liabilities</b>                    |       | <b>400,000</b>       | <b>400,000</b>       |
|   |       |                      |                      |
| <b>Net Assets</b>                                   |       |                      |                      |
| Capital Reserves                                    |       | 3,526,748,487        | 3,526,748,487        |
| Accumulated Surplus                                 |       | 9,623,140            | 4,913,938            |
| <b>Total Net Assets</b>                             |       | <b>3,536,371,627</b> | <b>3,531,662,425</b> |
| <b>Total Net Assets and Liabilities</b>             |       | <b>3,536,771,627</b> | <b>3,532,062,425</b> |

The Financial Statements set out on pages 1 to 6 were signed by:

*[Signature]*  
 .....  
**PETER MATURA**  
 Chairman of Board  
 Member of Board & Chairman of Board  
 Committee on Planning, Finance &  
 Resource Mobilisation  
 Date 10/6/2025

*[Signature]*  
 .....  
**WILFRED KIMNYIA**  
 Finance Officer  
 CPAK No. ....  
 Date 10/6/2025

*[Signature]*  
 .....  
**TECLA M. CHEMBO**  
 Principal  
 Date 10/6/2025

**Note:**  
 \*The Finance Officer is still pursuing his CPA qualification and currently has CPA II.

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF  
**PRINCIPAL**  
 10 JUN 2025  
 P. O. Box 24785, NAIROBI  
 Tel: 0722 677 859

**Karen Technical Training Institute for The Deaf**  
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**16. Statement of Changes in Net Asset for The Year Ended 30 June 2024**

| <b>Description</b>                      | <b>Accumulated Fund</b> | <b>Capital Reserves</b> | <b>Total</b>         |
|---|-------------------------|-------------------------|----------------------|
| <b>At July 1, 2022</b>                  | <b>(12,380,991)</b>     | <b>3,521,868,487</b>    | <b>3,509,487,496</b> |
| Surplus for the year                    | 17,294,930              | -                       | 17,294,930           |
| Capital grants received during the year | -                       | 4,880,000               | 4,880,000            |
| <b>At June 30, 2023</b>                 | <b>4,913,938</b>        | <b>3,526,748,487</b>    | <b>3,531,662,425</b> |
|   |                         |                         |                      |
| <b>At July 1, 2023</b>                  | <b>4,913,938</b>        | <b>3,526,748,487</b>    | <b>3,531,662,425</b> |
| Surplus for the year                    | 4,709,202               | -                       | 4,709,202            |
| <b>At June 30, 2024</b>                 | <b>9,623,140</b>        | <b>3,526,748,487</b>    | <b>3,536,371,627</b> |

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**17. Statement of Cash Flows for The Year Ended 30 June 2024**

| Description  | Note | 2024<br>Kshs       | 2023<br>Kshs        |
|--|------|--------------------|---------------------|
| <b>Cash flows from Operating Activities</b>                  |      |                    |                     |
| <b>Receipts</b>  |      |                    |                     |
| Transfers from other National Government entities            | 6    | 100,017,500        | 89,221,325          |
| Rendering of services- fees from students                    | 7    | 60,754,317         | 43,785,414          |
| Other income   | 8    | 1,235,924          | 1,095,360           |
| <b>Total Receipts</b>  |      | <b>162,007,741</b> | <b>134,102,099</b>  |
| <b>Payments</b>  |      |                    |                     |
| Use of goods and services                                    | 9    | 124,876,377        | 88,124,548          |
| Employee costs   | 10   | 11,271,115         | 10,488,444          |
| Board Expenses   | 11   | 1,246,353          | 1,843,832           |
| Repairs and maintenance                                      | 13   | 3,133,464          | 498,791             |
| <b>Total Payments</b>  |      | <b>140,527,309</b> | <b>100,955,615</b>  |
| <b>Net Cash Flows from Operating Activities</b>              | 20   | <b>21,480,432</b>  | <b>33,146,484</b>   |
| <b>Cash flows from Investing Activities</b>                  |      |                    |                     |
| Purchase of property, plant, equipment and intangible assets | 17   | (142,500)          | (2,363,957)         |
| <b>Net cash flows used in Investing Activities</b>           |      | <b>-</b>           | <b>(2,363,957)</b>  |
| <b>Cash flows from Financing Activities</b>                  |      |                    |                     |
| Deferred income  |      | -                  | (12,673,425)        |
| <b>Net cash flows used in Financing Activities</b>           |      | <b>-</b>           | <b>(12,673,425)</b> |
| <b>Net Increase in Cash and Cash equivalents</b>             |      | <b>21,337,931</b>  | <b>18,109,102</b>   |
| Cash and Cash equivalents at 1 JULY                          | 15   | <b>30,466,076</b>  | <b>12,356,974</b>   |
| <b>Cash and Cash equivalents at 30 JUNE 2024</b>             | 15   | <b>51,804,008</b>  | <b>30,466,076</b>   |

**Note:**

The above Statement of Cash Flows has been prepared using the Direct Method as prescribed by PSASB however Use of Goods and Services Kshs. 124,876,377 (2023: 88,124,548) do not agree with the amounts on Notes 9 respectively due to adjustments done for non-cash items and other items as the Statement of Financial Performance is prepared on Accrual basis while the Statement of Cash Flows is on Cash Basis. Please refer to Note 20 on page 23 of the financial statements for the reconciliation of net cash-flows from operating activities.

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**18. Statement of Comparison of Budget & Actual amounts for Year Ended 30 June 2024**

| Description                                       | Original budget    | Adjustments | Final Budget       | Actual on comparable basis | Performance difference | Utilization Difference |
|---|--------------------|-------------|--------------------|----------------------------|------------------------|------------------------|
|   | Kshs               | Kshs        | Kshs               | Kshs                       | Kshs                   | %                      |
| <b>Revenue</b>                                    |                    |             |                    |                            |                        |                        |
| Transfers from other National Government entities | 123,645,000        | -           | 123,645,000        | 100,017,500                | 23,627,500             | 19%                    |
| Rendering of services- fees from students         | 92,487,000         | -           | 92,487,000         | 60,754,317                 | 31,732,683             | 34%                    |
| Other income*                                     | 1,598,000          | -           | 1,598,000          | 1,235,924                  | 362,076                | 23%                    |
| <b>Total Income</b>                               | <b>217,730,000</b> | <b>-</b>    | <b>217,730,000</b> | <b>162,007,741</b>         | <b>55,722,259</b>      | <b>26%</b>             |
|   |                    |             |                    |                            |                        |                        |
| <b>Expenses</b>                                   |                    |             |                    |                            |                        |                        |
| Use of goods and services                         | 179,230,000        | -           | 179,230,000        | 124,524,976                | 54,705,024             | 31%                    |
| Employee costs                                    | 13,000,000         | -           | 13,000,000         | 11,271,115                 | 1,728,885              | 13%                    |
| Board Expenses                                    | 2,500,000          | -           | 2,500,000          | 1,246,353                  | 1,253,647              | 50%                    |
| Repairs and maintenance                           | 13,000,000         | -           | 13,000,000         | 3,133,464                  | 9,866,536              | 76%                    |
| Capital Expenditure                               | 10,000,000         | -           | 10,000,000         | 142,500                    | 9,857,500              | 99%                    |
| <b>Total Expenditure</b>                          | <b>217,730,000</b> | <b>-</b>    | <b>217,730,000</b> | <b>140,318,408</b>         | <b>77,411,592</b>      | <b>36%</b>             |
|   |                    |             |                    |                            |                        |                        |
|   | -                  |             | -                  |                            |                        |                        |
| <b>Surplus for the Year</b>                       |                    |             |                    | <b>21,689,333</b>          |                        |                        |

**Budget Notes:**

1. There were no changes between original and final budget during the year.
2. Under-absorption of budgeted incomes and expenditures was due to lack of sufficient government funding during the FY2023/2024. The increase in the number of students does not commensurate with Government funding.
3. While the Institute's financial statements show a surplus of **Kshs. 21,689,333** there were delays in disbursements by GOK causing overlap in expenditure during the year.
4. Surplus for the year on the Statement of Comparison of Budget & Actual amounts does not agree with the amount shown on the Statement of the Financial Performances due to the following reconciling items:

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|                                       | <b>Amount</b>     |
|---------------------------------------|-------------------|
| <b>Surplus for the period</b>         |                   |
| As per Budget                         | 21,689,333        |
| As Statement of Financial Performance | 4,709,202         |
|                                       | <b>16,980,131</b> |
| <b>Variance</b>                       |                   |
| <b>Reconciling items:</b>             |                   |
| Depreciation expense                  | 17,538,431        |
| Capital Expenditure                   | (142,500)         |
| Fair value loss on biological assets  | (415,800)         |
| <b>Total</b>                          | <b>16,980,131</b> |

**19. Notes to the Financial Statements**

**1. General Information**

Karen Technical Training Institute for the Deaf is established by and derives its authority and accountability from the TVET Act of 2013. The Institute is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is the provision of Technical, Vocational Education and Training to Students with Special Needs (Deaf) in Kenya.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the TVET Act of 2013 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There are no new standards in the year ended 30th June 2024

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

| Standard   | Effective date and impact:  |
|--|---|
| IPSAS 43:<br>Leases  | <i>Applicable 1<sup>st</sup> January 2025</i><br>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash-flows of an Entity.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.<br><i>There is no expected impact of the standard to the Entity.</i>   |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued<br>Operations | <i>Applicable 1<sup>st</sup> January 2025</i><br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:<br>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.<br><i>There is no expected impact of the standard to the Entity.</i>  |
| IPSAS 45:<br>Property Plant and<br>Equipment   | <i>Applicable 1<sup>st</sup> January 2025</i><br>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.<br><i>There is no expected impact of the standard to the Entity.</i> |
| IPSAS 46:  | <i>Applicable 1<sup>st</sup> January 2025</i>   |

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Annual Report and Financial Statements for the year ended 30th June 2024**

|  |  |
|--|--|
| Measurement                              | <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>There is no expected impact of the standard to the Entity.</i></b></p> |
| IPSAS 47:<br>Revenue                     | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9 - Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>There is no expected impact of the standard to the Entity.</i></b></p>   |
| IPSAS 48:<br>Transfer<br>Expenses        | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b><i>There is no expected impact of the standard to the Entity.</i></b></p>  |
| IPSAS 49:<br>Retirement<br>Benefit Plans | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b><i>There is no expected impact of the standard to the Entity.</i></b></p>   |

**iii. Early adoption of standards**

Karen Technical Institute for the Deaf did not early-adopt any new or amended standards in year 2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Institute and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Recurrent grants are recognized in the statement of financial performance. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

**Rendering of services**

The Institute recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

The Institute recognises Student Fees and Charges in the year in which the service is provided to the student. Students' fees and charges received that relate to the service rendered in the future period are treated as income in advance.

**Other Income**

Other income represents miscellaneous receipts not derived from the core business and it is recognised when earned.

b) Budget information

The original budget for FY 2023/2024 was approved by the Board on **14 July 2023**. There were no subsequent revisions or additional appropriations made to the approved budget.

The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

### Summary of Significant Accounting Policies (Continued)

#### b) Budget information (Continued)

A statement to reconcile the actual amounts on a comparable basis included in the Statement of Comparison of Budget and Actual amounts and the actuals as per the Statement of Financial Performance has been presented on page 6 under section 18 of these financial statements.

#### c) Taxes

##### *Current income tax*

The Institute is exempt from paying income tax as per Section 219 (3) of the PFM Act regulations 2015, the Cabinet Secretary National Treasury has exempted TVETs from payment of income tax of which the Institute is in that category.

##### *Value Added Tax*

Expenses and assets are recognized including the amount of Value Added Tax.

#### d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Institute charges full depreciation on all its non-current assets in the year of purchase and no depreciation in the year of disposal. The Institute uses reducing balance method of depreciation.

The following depreciation rates are applied to Property, Plant and Equipment.

| Description                   | Rate of Depreciation |
|-------------------------------|----------------------|
| • Land                        | Nil                  |
| • Building                    | 2.5%                 |
| • Computers & Electronics     | 33.3%                |
| • Furniture & Fittings        | 12.5%                |
| • Plant, Property & Equipment | 12.5%                |
| • Motor Vehicles              | 25%                  |

Work in Progress is only capitalized on completion or commissioning of the asset.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**e) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Institute does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Institute's financial statements. A financial instrument is any contract that gives rise to a financial asset of one Institute and a financial liability or equity instrument of another. At initial recognition, the Institute measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

***Financial assets***

***Classification***

The Institute classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Institute's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Institute has made irrevocable election at initial recognition for particular investments in equity instruments.

***Subsequent measurement***

Based on the business model and the cash flow characteristics, the Institute classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

***Amortized cost***

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**c) Financial instruments (Continued)**

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Institute manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Impairment**

The Institute assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date.

***Financial liabilities***

***Classification***

The Institute classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**d) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Institute*.

**e) Provisions**

Provisions are recognized when the *Institute* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Institute* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

The *Institute* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

***Contingent assets***

The *Institute* does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Institute* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**Provisions (Continued)**

service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**f) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Institute recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Institute will incur in fulfilling the present obligations represented by the liability.

**g) Nature and purpose of reserves**

The *Institute* creates and maintains reserves in terms of specific requirements. (*Institute to state the reserves maintained and appropriate policies adopted*).

**h) Changes in accounting policies and estimates**

The *Institute* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**i) Employee benefits**

**Retirement benefit plans**

The Institute does not have a defined contribution scheme in place, it however contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Institute's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 1,080 per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**j) Related parties**

The *Institute* regards a related party as a person or an Institute with the ability to exert control individually or jointly, or to exercise significant influence over the Institute, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**l) Comparative figures**

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**m) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Institute's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

### **Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Institute*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

### **Provisions**

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

*(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).*

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**  
**Notes to the Financial Statement6s (Continued)**

**6. Transfers from other National Government entities**

| Description                          | 2024               | 2023              |
|--------------------------------------|--------------------|-------------------|
|                                      | Kshs               | Kshs              |
| <b>Unconditional Grants</b>          |                    |                   |
| GOK Capitation Grants                | 44,017,500         | 7,275,000         |
| Operational Grant – Recurrent        | 56,000,000         | 68,445,000        |
| Other Grants – Ministry of Education | -                  | 827,900           |
| Development Grant                    | -                  | 12,673,425        |
| <b>Total unconditional Grants</b>    | <b>100,017,500</b> | <b>89,221,325</b> |

**(a) Transfers from other Government entities (Categorized)**

| Name of the Institute Sending The Grant                | Amount recognized to Statement of Financial performance<br>Kshs | Amount deferred under deferred income<br>Kshs | Amount recognised in capital fund<br>Kshs | Total grant income during the year<br>Kshs | 2023<br>Kshs      |
|--|---|---|---|--|-------------------|
| State Department for Vocational and Technical Training | 100,017,500   | -   | -   | 100,017,500                                | 89,221,325        |
| <b>Total</b>   | <b>100,017,500</b>  | <b>-</b>                                      | <b>-</b>                                  | <b>100,017,500</b>                         | <b>89,221,325</b> |

**7. Rendering of Services – fees from Students**

| Description – Tuition & Other Fees            | 2024              | 2023              |
|---|-------------------|-------------------|
|   | Kshs              | Kshs              |
| School, Equipment & Stationaries (SES) TUTION | 22,434,787        | 14,480,339        |
| Boarding Equipment & Stores (BES)             | 19,609,345        | 16,119,265        |
| Medical                                       | 761,474           | 447,510           |
| Activities                                    | 2,249,406         | 1,930,660         |
| Library                                       | 1,296,490         | 1,017,540         |
| Contingencies                                 | 985,243           | 415,354           |
| Student identity card                         | 133,269           | 97,420            |
| Industrial attachment                         | 941,900           | 359,700           |
| PTA Development projects                      | 3,572,059         | 2,587,764         |
| Practical training materials                  | 5,475,410         | 3,893,020         |
| Students governing council                    | 294,790           | 202,010           |
| Application form                              | 84,700            | 137,270           |
| Local transport and Travel                    | 536,020           | 319,030           |
| Electricity, Water and Conservancy (EWC)      | 1,297,409         | 978,892           |
| Repairs, maintenance & improvements           | 1,082,015         | 799,640           |
| <b>Total Revenue Rendering of Services</b>    | <b>60,754,317</b> | <b>43,785,414</b> |

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Notes to the Financial Statements (Continued)**

**8. Other Income**

| Description                                  | 2024             | 2023             |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| Rental revenue from facilities and equipment | 1,235,924        | 1,009,831        |
| Personal emoluments                          | -                | 5,029            |
| Bank charges                                 | -                | 1,500            |
| Tender fees                                  | -                | 79,000           |
| Reversal of prior year audit fees            | -                | 3,018,000        |
| <b>Total Other Income</b>                    | <b>1,235,924</b> | <b>4,113,360</b> |

**9. Use of Goods and Services**

| Description                              | 2024               | 2023              |
|--|--------------------|-------------------|
|  | Kshs               | Kshs              |
| Electricity, Water and Conservancy (EWC) | 9,734,131          | 7,371,078         |
| Advertising - marketing services         | 567,800            | 323,950           |
| SES Tuition                              | 24,802,917         | 13,498,708        |
| Boarding (BES)                           | 46,724,135         | 34,960,088        |
| Local transport & travel                 | 7,559,722          | 7,387,680         |
| Medical                                  | 2,239,136          | 1,555,662         |
| Activities                               | 2,843,672          | 3,665,745         |
| Library                                  | 152,740            | 60,920            |
| Contingencies                            | 5,956,041          | 92,944            |
| Industrial attachment                    | 2,060,200          | -                 |
| P TA development projects                | 4,671,030          | 3,296,050         |
| Practical training materials             | 3,712,503          | 4,061,734         |
| Students governing council               | 8,890              | 136,240           |
| Security reinforcements                  | 2,042,198          | 2,048,500         |
| Performance contract 2020/2021           | 952,700            | 1,484,015         |
| Staff development, KATTI and CAPA events | 8,705,610          | 6,192,900         |
| Generator                                | 225,350            | 16,800            |
| ICT infrastructure developments          | 652,177            | 282,583           |
| Tender                                   | -                  | 20,000            |
| Bank charges                             | 529,008            | 356,327           |
| Implementation - MOH Covid 19 Protocols  | -                  | 131,900           |
| Safety measures                          | 179,916            | -                 |
| Student identity cards                   | 5,100              | -                 |
| Audit fees                               | 200,000            | 200,000           |
| <b>Total Use of Goods and Services</b>   | <b>124,524,976</b> | <b>87,143,824</b> |

**Karen Technical Training Institute for The Deaf**  
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**Notes to the Financial Statements (Continued)**

**10. Employee Costs**

| Description                             | 2024<br>Kshs      | 2023<br>Kshs      |
|---|-------------------|-------------------|
| Salaries and wages                      | 9,013,161         | 8,596,554         |
| Social contributions (NHIF, NITA, NSSF) | 976,354           | 610,290           |
| Housing benefits and allowances         | 1,101,600         | 1,101,600         |
| Performance and other bonuses           | 180,000           | 180,000           |
| <b>Total Employee Costs</b>             | <b>11,271,115</b> | <b>10,488,444</b> |

**11. Board Expenses**

| Description                 | 2024<br>Kshs     | 2023<br>Kshs     |
|-----------------------------|------------------|------------------|
| Board allowances            | 1,246,353        | 955,336          |
| Board induction             | -                | 888,496          |
| <b>Total Board Expenses</b> | <b>1,246,353</b> | <b>1,843,832</b> |

**12. Depreciation Expense**

| Description                       | 2024<br>Kshs      | 2023<br>Kshs      |
|-----------------------------------|-------------------|-------------------|
| Property, plant and equipment     | 17,538,431        | 19,610,478        |
| <b>Total Depreciation Expense</b> | <b>17,538,431</b> | <b>19,610,478</b> |

**13. Repairs and Maintenance**

| Description                          | 2024<br>Kshs     | 2023<br>Kshs   |
|--------------------------------------|------------------|----------------|
| Repairs, maintenance & improvements  | 3,133,464        | 498,791        |
| <b>Total Repairs and Maintenance</b> | <b>3,133,464</b> | <b>498,791</b> |

**14. Gain/(loss) on Fair Value Investments**

| Description  | 2024<br>Kshs   | 2023<br>Kshs     |
|--|----------------|------------------|
| Fair value arising from Biological assets          | 415,800        | (239,800)        |
| <b>Total Gain/(loss) on Fair Value Investments</b> | <b>415,800</b> | <b>(239,800)</b> |

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**  
**Notes to the Financial Statements (Continued)**

**15. Cash and Cash Equivalents**

| Description                            | 2024              | 2023              |
|--|-------------------|-------------------|
|  | Kshs              | Kshs              |
| Current Account                        | 51,796,760        | 30,453,829        |
| Cash in Hand                           | 7,248             | 12,247            |
| <b>Total Cash and Cash Equivalents</b> | <b>51,804,008</b> | <b>30,466,076</b> |

**15 (a). Detailed Analysis of Cash and Cash equivalents**

| Financial Institution     | Account number | 2024              | 2023              |
|---------------------------|----------------|-------------------|-------------------|
|                           |                | Kshs              | Kshs              |
| <b>a) Current Account</b> |                |                   |                   |
| National Bank of Kenya    | 01003002830300 | 44,792,856        | 26,480,251        |
| National Bank of Kenya    | 01003002830301 | 1,396,658         | 587,704           |
| ABSA Bank of Kenya        | 1228336        | <b>5,607,246</b>  | 3,385,875         |
| <b>Sub -Total</b>         |                | <b>51,796,760</b> | <b>30,453,829</b> |
| Cash in Hand              |                | 7,248             | 12,247            |
| <b>Sub -Total</b>         |                | <b>7,248</b>      | <b>12,247</b>     |
| <b>Grand Total</b>        |                | <b>51,804,008</b> | <b>30,466,076</b> |

**16. Inventories**

| Description  | 2024             | 2023             |
|--|------------------|------------------|
|  | Kshs             | Kshs             |
| School, Equipment & Stationaries (SES)                             | 1,588,019        | 1,474,656        |
| Cleaning materials   | 548,353          | 446,724          |
| Catering stores  | 557,765          | 496,070          |
| Medical consumables  | 169,782          | 95,068           |
| <b>Total Inventories at lower of Cost and Net Realizable Value</b> | <b>2,863,919</b> | <b>2,512,518</b> |

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Notes to the Financial Statements (Continued)**

**17. Property, Plant and Equipment**

| Cost                                | Land          | Buildings   | Motor vehicles | Furniture and fittings | Computers | Plant and equipment | Total         |
|-------------------------------------|---------------|-------------|----------------|------------------------|-----------|---------------------|---------------|
|                                     | Kshs          | Kshs        | Kshs           | Kshs                   | Kshs      | Kshs                | Kshs          |
| <b>At 1 July 2022</b>               | 3,200,000,000 | 217,149,576 | 9,657,550      | 10,536,300             | 2,558,000 | 129,981,986         | 3,569,883,412 |
| Additions                           | -             | 1,403,957   | 4,880,000      | 530,000                | 430,000   | -                   | 7,243,957     |
| Disposals                           | -             | -           | -              | -                      | -         | -                   | -             |
| <b>At 30<sup>th</sup> June 2023</b> | 3,200,000,000 | 218,553,533 | 14,537,550     | 11,066,300             | 2,988,000 | 129,981,986         | 3,577,127,369 |
| Additions                           | -             | -           | -              | -                      | 142,500   | -                   | 142,500       |
| Disposals                           | -             | -           | -              | -                      | -         | -                   | -             |
| <b>At 30<sup>th</sup> June 2024</b> | 3,200,000,000 | 218,553,533 | 14,537,550     | 11,066,300             | 3,130,500 | 129,981,986         | 3,577,269,869 |
|                                     | -             | -           | -              | -                      | -         | -                   | -             |
| <b>Depreciation And Impairment</b>  |               |             |                |                        |           |                     |               |
| <b>At 1 Jun 2022</b>                | -             | 10,460,259  | 9,657,550      | 6,794,822              | 2,470,000 | 30,129,628          | 59,512,259    |
| Depreciation                        | -             | 5,202,332   | 1,220,000      | 533,935                | 172,667   | 12,481,545          | 19,610,478    |
| Disposals                           | -             | -           | -              | -                      | -         | -                   | -             |
| <b>At 30 Jun 2023</b>               | -             | 15,662,591  | 10,877,550     | 7,328,757              | 2,642,667 | 42,611,173          | 79,122,737    |
| Depreciation                        | -             | 5,072,274   | 915,000        | 467,193                | 162,611   | 10,921,352          | 17,538,430    |
| Disposals                           | -             | -           | -              | -                      | -         | -                   | -             |
| <b>At 30<sup>th</sup> Jun 2024</b>  | -             | 20,734,865  | 11,792,550     | 7,795,950              | 2,805,278 | 53,532,525          | 96,661,168    |
| <b>Net Book Values</b>              |               |             |                |                        |           |                     |               |
| <b>At 30<sup>th</sup> Jun 2023</b>  | 3,200,000,000 | 202,890,942 | 3,660,000      | 3,737,543              | 345,333   | 87,370,813          | 3,498,004,631 |
| <b>At 30<sup>th</sup> Jun 2024</b>  | 3,200,000,000 | 197,818,668 | 2,745,000      | 3,270,350              | 325,222   | 76,449,461          | 3,480,608,701 |

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

**Notes to the Financial Statements (Continued)**

**Valuation**

The Institute's land is estimated at value of Kshs. 80m per acre (40acres at Kshs. 3.2billion). The Institution is yet to obtain a professional valuer to ascertain the value of the land. Once the valuation is done then the exact market value shall be included in the subsequent financial years.

**17 (b) Property, Plant and Equipment at Cost**

All assets were stated on the historical cost basis as per Note 17 above.

**18. Biological Assets**

| Description                                 | 2024             | 2023             |
|---|------------------|------------------|
|   | Kshs             | Kshs             |
| At start of the year                        | 1,079,200        | 1,319,000        |
| Fair value gain/(loss) on Biological assets | 415,800          | (239,800)        |
| <b>At end of the year</b>                   | <b>1,495,000</b> | <b>1,079,200</b> |

**18 (a) Detailed Breakdown of Biological Assets**

|              | 2024             | 2023             |
|--------------|------------------|------------------|
|              | Kshs             | Kshs             |
| Cows         | 1,265,000        | 851,000          |
| Goats        | 75,000           | 75,000           |
| Poultry      | 155,000          | 153,200          |
| <b>Total</b> | <b>1,495,000</b> | <b>1,079,200</b> |

Biological assets are stated at their market value as at the year ended 30 June 2024.

**19. Trade and Other Payables**

| Description                           | 2024           |                       | 2023           |                       |
|---------------------------------------|----------------|-----------------------|----------------|-----------------------|
|                                       | Kshs           |                       | Kshs           |                       |
| Audit fees – Accrual                  | 400,000        |                       | 400,000        |                       |
| <b>Total Trade and Other Payables</b> | <b>400,000</b> |                       | <b>400,000</b> |                       |
| <b>Ageing analysis:</b>               | <b>2024</b>    | <b>% of the Total</b> | <b>2023</b>    | <b>% of the Total</b> |
| Under one year                        | 200,000        | 50%                   | 200,000        | 50%                   |
| 1-2 years                             | 200,000        | 50%                   | 200,000        | 50%                   |
| <b>Total (to tie to totals above)</b> | <b>400,000</b> | <b>100%</b>           | <b>400,000</b> | <b>100%</b>           |

**Karen Technical Training Institute for The Deaf**  
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**20. Cash generated from operations.**

|  | 2024              | 2023              |
|--|-------------------|-------------------|
|  | Kshs              | Kshs              |
| <b>Surplus for the year</b>                    | 4,709,202         | 17,294,930        |
| <b>Adjusted for:</b>                           |                   |                   |
| Depreciation                                   | 17,538,431        | 19,610,478        |
| Fair value loss in biological assets           | (415,800)         | 239,800           |
| Reversal in prior year accrual of audit fees   | -                 | (3,018,000)       |
| <b>Working Capital Adjustments</b>             |                   |                   |
| (Increase) in Inventory                        | (351,401)         | (948,724)         |
| Increase in Payables                           | -                 | 32,000            |
| <b>Net Cash Flow from Operating Activities</b> | <b>21,480,432</b> | <b>33,146,484</b> |

**21. Financial Risk Management**

The Institute's activities expose it to a variety of financial risks including credit, liquidity risk and market risk. The Institute's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The Institute's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Institute has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

The Institute's credit risk is primarily attributable to deposits with banks, however the risk is not significant since the Institute's banks are reputable institutions.

The Board members set the Institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Institute's management based on prior experience and their assessment of the current economic environment.

**(ii) Liquidity risk management**

Liquidity risk is the risk that the Institute will not have sufficient financial resources to meet its obligations as they fall due or will have to do so at excessive costs. This arises due to the mismatching of the timing of cash flows from revenue and capital/operational outflows.

Ultimate responsibility for liquidity risk management rests with the Institute's board, who have built an appropriate liquidity risk management framework for the management of the Institute's short,

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**Notes to the Financial Statements (Continued)**

**Financial risk management (Continued)**

**(ii) Liquidity risk management (Continued)**

medium and long-term funding and liquidity management requirements. The Institute manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The Institute is a government funded institution and faces the risk of delayed/inadequate funding.

The table below represents cash flows payable by the Institute under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| Description            | Less than 1 month | Between 1-3 months | Over 5 months  | Total          |
|------------------------|-------------------|--------------------|----------------|----------------|
|                        | Kshs              | Kshs               | Kshs           | Kshs           |
| <b>At 30 June 2023</b> |                   |                    |                |                |
| Trade Payables         | 200,000           | -                  | 200,000        | 400,000        |
| <b>Total</b>           | <b>200,000</b>    | <b>-</b>           | <b>200,000</b> | <b>400,000</b> |
| <b>At 30 June 2024</b> |                   |                    |                |                |
| Trade Payables         | 200,000           | -                  | 200,000        | 400,000        |
| <b>Total</b>           | <b>200,000</b>    | <b>-</b>           | <b>200,000</b> | <b>400,000</b> |

**(iii) Market risk**

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Institute's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Institute's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the Institute's exposure to market risks or the manner in which it manages and measures the risk.

**a) Interest rate risk**

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

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**Notes to the Financial Statements (Continued)**

**Financial risk management (continued)**

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**b) Foreign currency risk**

The risk is minimal as cash and cash equivalents held with banks are denominated in Kenya Shillings.

**iv) Capital Risk Management**

The objective of the Institute's capital risk management is to safeguard the Institute's ability to continue as a going concern.

**22. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the Institute include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *Institute*, holding 100% of the *Institute's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Institute*, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

The transactions and balances with related parties during the year are as

| Description                                     | 2024<br>Kshs       | 2023<br>Kshs      |
|---|--------------------|-------------------|
| <b>Transactions with Related Parties</b>        |                    |                   |
| <b>a) Grants /Transfers from the Government</b> |                    |                   |
| Grants from National Government                 | 100,017,500        | 89,221,325        |
| <b>Total</b>                                    | <b>100,017,500</b> | <b>89,221,325</b> |
| <b>b) Key Management Compensation</b>           |                    |                   |
| Directors' emoluments                           | 1,246,353          | 1,843,832         |
| <b>Total</b>                                    | <b>1,246,353</b>   | <b>1,843,832</b>  |

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**Notes to the Financial Statements (Continued)**

**23. Events After the Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period.

**24. Ultimate and Holding Institute**

The Institute is a Technical and Vocational Education and Training (TVET) under the Ministry of Education, State Department of Vocational Education and Technical Training. Its ultimate parent is the Government of Kenya.

**25. Currency**

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

**Karen Technical Training Institute for The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2024**

**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments   | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|---|---|--------------------------------------|---|
| OAG/KTTID/2021/2022/(26)                   | <p><b>Anomalies Property, Plant and Equipment balance</b><br/>The Statement of Financial Position reflects a balance of Kshs. 3,510,371,153 for Property, Plant and Equipment in Note 17. Included in the balance was a parcel of land with an estimated market value of Kshs. 3,200,000,000 whose ownership documents were in the name of three trustees and not in the Institute's name. The value for land is also not supported with a valuation report.<br/>The land is also not well fenced off and had been encroached despite the Principal having written to the Principal Secretary for State Department for Vocational and Technical Training requesting for funds to erect a perimeter wall. Other assets such as motor vehicles, plant and equipment and computers were fully depreciated. The ownership, accuracy and existence of property, plant and equipment balance of Kshs. 3,510,371,153 could not be confirmed.</p> | <p>The Institute commits to undertake a comprehensive exercise of valuation of all assets including land and buildings once funds are made available.</p> <p>The Principal has written to the Ministry of Education, State Department of Vocational and Technical Training requesting for funding to support the construction of a perimeter wall along its boundary and incorporate the related security system to reduce land encroachment.</p> | Not resolved                         | Not conclusive  |

**Karen Technical Training Institute for The Deaf**  
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**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Institute responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

.....*T. Chemobo*.....

**Tecla M. Chemobo**  
**Accounting Officer**  
**Principal**  
**Date Name**

*10th June 2025*

KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF  
**PRINCIPAL**  
**10 JUN 2025**  
P. O. Box 24785, NAIROBI  
Tel: 0722 677 859

**Karen Technical Training Institute for The Deaf**  
**Annual Report and Financial Statements for the year ended 30th June 2024**

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**Appendix II: Projects Implemented by Karen Technical Training Institute for the Deaf**

**Projects**

During the financial year there were no new projects implemented by Development Partners.

**Karen Technical Training Institute for The Deaf  
Annual Report and Financial Statements for the year ended 30th June 2024**

**Appendix III- Inter-Institute Confirmation Letter**

**Karen Technical Training Institute for the Deaf**

The State Department of Vocational and Technical wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by Karen Technical Training Institute for the Deaf as at 30 <sup>th</sup> June 2024 |                |   |                 |                       |                   |  |                              |
|--|----------------|---|-----------------|-----------------------|-------------------|--|------------------------------|
| Reference Number   | Date Disbursed | Amounts Disbursed by State Department of Vocational and Technical (Kshs) as at 30th June 2024 |                 |                       |                   | Amount Received by KTTID (Kshs) as at 30 <sup>th</sup> June 2024 (E) | Differences (Kshs) (F)=(D-E) |
|  |                | Recurrent (A)   | Development (B) | Inter-Ministerial (C) | Total (D)=(A+B+C) |  |                              |
| R/25659  | 28/09/2023     | 6,152,000   | -               | -                     | 6,152,000         | 6,152,000  | -                            |
| R/25658  | 30/08/2023     | 14,000,000  | -               | -                     | 14,000,000        | 14,000,000   | -                            |
| R/25660  | 08/12/2023     | 14,000,000  | -               | -                     | 14,000,000        | 14,000,000   | -                            |
| R/25662  | 18/01/2024     | 5,383,000   | -               | -                     | 5,383,000         | 5,383,000  | -                            |
| R/25663  | 31/01/2024     | 6,152,000   | -               | -                     | 6,152,000         | 6,152,000  | -                            |
| R/25664  | 31/01/2024     | 5,383,000   | -               | -                     | 5,383,000         | 5,383,000  | -                            |
| R/25664  | 31/01/2024     | 6,152,000   | -               | -                     | 6,152,000         | 6,152,000  | -                            |
| R/25665  | 26/02/2024     | 6,152,000   | -               | -                     | 14,000,000        | 14,000,000   | -                            |
| R/25667  | 26/02/2024     | 14,000,000  | -               | -                     | 5,383,000         | 5,383,000  | -                            |
| R/25668  | 26/02/2024     | 5,383,000   | -               | -                     | 14,000,000        | 14,000,000   | -                            |
| R/25670  | 24/05/2024     | 14,000,000  | -               | -                     | 9,412,500         | 9,412,500  | -                            |
| R/25671  | 24/05/2024     | 9,412,500   | -               | -                     | 100,017,500       | 100,017,500  | -                            |
|  |                | <b>100,017,500</b>  | -               | -                     |                   |  |                              |

I confirm that the amounts shown above are correct as of the date indicated.  
**Head of Accountants department of beneficiary Institute:**  
 Name W/ Freda Kimani Sign [Signature] Date 10/6/2025

**KAREN TECHNICAL TRAINING INSTITUTE FOR THE DEAF**  
**PRINCIPAL**  
 10 JUN 2025  
 P. O. Box 24785, NAIROBI  
 Tel: 0722 877 859

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